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Agriculturists (Repayment of Debts) Bill, 1955 (L.A. Bill No. 2 of 1955) and that the following members of this House be selected to serve on such a Joint Select Committee :—

(1) Hon. Sri M. Bhaktavatsalam.
(2) Sri P. P. Ummer Koya.
(3) Srimathi Jothi Venkatachellum.
(4) Sri S. P. Sivasubramania Nadar.
(5) Sri T. Purushothama Mudaliar.
(6) Sri A. Gajapathy Nayagar.
(7) Sri K. Balasubramanya Ayyar.
(8) Sri V. V. Ramaswami." ' "

III.—STATEMENT REGARDING UTILIZATION OF THE HANDLOOM CESS FUND.

MR. SPEAKER :—" The Hon. Minister for Agriculture wants to make a statement."

* THE HON. SRI M. BHAKTAVATSALAM :—" Mr. Speaker, Sir, I am obliged to you for permitting me to make this statement. I desire to make this statement in view of the large number of questions that have been put in this House about the utilization of the Handloom Cess Fund. Thanks to the liberal assistance of the Union Government, the Madras Government have undertaken several measures for the rehabilitation of the handloom industry in the Madras State. The Government of Madras have so far sanctioned a sum of Rs. 121 lakhs for the implementation of the various schemes for the benefit of the weavers organized in co-operative societies. For the years 1953–54 and 1954–55, the total share of this State from out of the Cess Fund is Rs. 216 lakhs and the Madras Government have submitted to the Government of India schemes estimated at Rs. 216 lakhs. So far, the Government of India have sanctioned schemes for Rs. 159 lakhs out of which the Government of Madras have sanctioned and taken up schemes for Rs. 221 lakhs. I may add that the first year was spent on attending to certain preliminaries regarding the utilization of the Cess Fund and the schemes were initiated practically in January 1954. The measures for the improvement of the handloom industry chiefly relate to the provision of share capital to members of co-operative societies, working capital to weavers' societies and the State Handloom Weavers' Society, provision of technical and improved appliances for the industry, expansion of marketing activities by way of opening of emporia, sales depots, etc., grant of rebate to consumers with a view to encourage purchases by the public. The scheme has been in operation in the State for about a year. As a result of the working of the schemes, the industry has shown signs of improvement. The weavers are able to get better wages and to find market for their goods. Before the introduction of the scheme, there were 566 weavers' co-operative societies with 97,642 looms. During the year, 212 societies were registered and 28,205 new looms were brought into the co-operative fold. At the end of the year, there were 778 societies with 125,847 looms in the co-operative fold. The number of looms brought into the co-operative fold has increased by 28 per cent. The members

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who joined the societies are provided interest-free advances by way of share capital to the extent of Rs. 25 per loom in the case of existing societies and Rs. 18–12–0 in the case of new societies. In this way, a sum of Rs. 4·88 lakhs was given as loan for share capital to be taken up by the weaver-members. The Co-operative Central Banks have made available Rs. 59·76 lakhs to weavers' co-operative societies by way of working capital up to 31st December 1954 from their own resources and the amount placed at their disposal from the Cess Fund. The Madras State Handloom Weavers' Co-operative Society was provided with a working capital of Rs. 11·4 lakhs to assist its marketing activities. The funds for working capital are channelled through the co-operative banking organizations. With the help of the funds provided as working capital, the weavers' societies have been given advances and are charged a uniform rate of 4 per cent whereas, before the introduction of the scheme, the societies were charged interest at 5 to 5½ per cent.

"*Marketing.*—Arrangements for the marketing of handloom cloth have been undertaken on a Statewide basis through the agency of the Madras State Handloom Weavers' Co-operative Society which is the apex organization for the State. In addition to the 53 depots existing on the date of the introduction of the scheme, 104 depots were opened in the various parts of the State. Almost all the municipalities and major panchayats are covered with a net work of depots of the Madras State Handloom Weavers' Co-operative Society. Consumers' organizations also deal in handloom cloth. There are at present, six Marketing Officers at several centres in the State whose function is not only to procure goods from the societies but to undertake their marketing. As a result of the arrangements made, there has been an increase in the sales effected. While the normal sale before the introduction of the schemes was about Rs. 21 lakhs per month, the sale now amounts to Rs. 27 lakhs per month. The State Society has opened depots under the Cess Fund Scheme outside the State in places like Vijayavada and Delhi in addition to the 11 centres where there were depots already. A new feature in the marketing activities of the State Society is popularising the sale of handloom goods through mobile vans attached to the State Society. One van is now in use in the Madras and Chingleput districts and five more vans are expected to be put on the road by the end of the next month.

"In order to encourage the sale of handloom goods, consumers are paid a subsidy at the rate of As. 1–6 per rupee in the case of sales effected by the emporia of the State Society and the weavers' co-operative societies, while fair-price shops and consumers organizations give a rebate of one anna. A sum of Rs. 12·17 lakhs was sanctioned as subsidy to the co-operative institutions, which has resulted in stimulating sales.

"The State Society is also an agent for the marketing of goods abroad. It has its Marketing Officers at Baghdad, Colombo,

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Rangoon and Singapore. There are depots at Colombo, Aden and Singapore. The depot in Ceylon has served to find a good market for the handloom goods produced in India.

12-10 p.m. " In order to improve the technique of the handloom industry, arrangements are in progress for the supply of take-up motion attachments to the looms in weavers' co-operative societies, supply of standard reeds and pedal looms, establishment of dye houses and pattern making factories, etc. As a result of the working of the several measures referred to, production of handloom goods in weavers' societies has increased as well as sales. While the average production was Rs. 18 lakhs a month, prior to the introduction of the scheme, the present production rate is Rs. 32 lakhs. The sale of handloom goods has correspondingly increased from about Rs. 21 lakhs a month before, to Rs. 27 lakhs now. A sum of Rs. 43·7 lakhs has been incurred as expenditure up to 31st January 1955 and about Rs. 50 lakhs are expected to be spent before the end of March. A scheme for the establishment of a housing colony for 200 weavers who are members of the Ammapet Weavers' Co-operative Society and another for 200 members of the weavers' co-operative societies in the Aruuppukottai area in the Ramanathapuram district are under the consideration of Government. They are expected to cost in all Rs. 18·5 lakhs."

Mr. SPEAKER :—" The statement will be printed and circulated to the hon. Members."

(The hon. Member Sri K. T. Raju rose.)

Mr. SPEAKER :—" If a number of hon. Members want to put questions like this, it will become a regular question time."

* Sri M. NARAYANA KURUP :—" The problem of handloom weavers and the working of the Cess Fund being very important and the Hon. Minister having chosen to make a statement, I wish to know whether a day or some time will be allotted for the discussion of this important subject."

* Sri K. T. RAJU :—" கனம் மந்திரி அவர்கள் ஒரு முக்கியமான ஸ்டேட்மெண்டைக் கொடுத்திருப்பதை நான் வரவேற்கிறேன். அதில் பல முக்கியமான விவரங்கள் அடங்கியிருப்பதால் அந்த ஸ்டேட்மெண்டைத் தமிழில் மொழிபெயர்த்து அங்கத்தினர்களுக்கு வழங்கப்படவேண்டும் என்று தங்களைக் கேட்டுக்கொள்வதோடு, கனம் அங்கத்தினர் ஸ்ரீ நாராயண குருப் அவர்கள் சொன்னதைப்போல இவ் விஷயத்தைப்பற்றி சபையில் விவாதிக்க சில மணி நேரமாவது ஒதுக்கவேண்டுமென்றும், அதற்குத் தாங்கள் தயவு செய்து ஏற்பாடு பண்ணவேண்டுமென்றும் கேட்டுக்கொள்கிறேன்."

* The Hon. Sri M. BHAKTAVATSALAM :—" Sir, I can arrange to get this statement circulated to hon. Members. About the discussion on this, I would suggest that in view of the ensuing Budget discussion, this may be taken up when the concerned Demand comes up for discussion."

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MR. SPEAKER :—" In regard to the point whether we should have a debate on this or not, let the Leaders of Parties approach the Leader of the House and arrive at a decision. Then, they may let me know whether there is to be a debate or not.

" We shall now resume discussion on the Report of the Select Committee on the Madras Plantations Agricultural Income-tax Bill, 1954. The hon. Member Sri V. R. Krishna Ayyar will speak now."

SRI M. KALYANASUNDARAM :—" May I know whether the one-hour debate on the subject given notice of by the hon. Member, Sri Nallasivam, will take place this evening? "

MR. SPEAKER :—" Yes, it wil ltake place this evening."

IV.—GOVERNMENT BILL.

THE MADRAS PLANTATIONS AGRICULTURAL INCOME-TAX BILL, 1954—*cont.*

SRI V. R. KRISHNA AYYAR :—" Mr. Speaker, the broad principle of the Bill has been virtually and unanimously, barring a few dissentient voices, accepted by the entire House and we have proceeded to a stage furuther where the Bill has been referred to a Select Committee and the Report of that Select Committee is also before the House. But then, I should like to make a few observations regarding the apprehensions that we had when the matter was being referred to the Select Committee and how those apprehensions have been fulfilled in the course of its being sieved through the Select Committee.

" The major point about all these taxation measures is that while a man makes a decent income or a large income on the non-agricultural front, he is subjected to a fairly heavy tax under the Indian Income-tax Act. If the same man makes an income and that an equally large income by agricultural activities particularly of the plantation variety, he now escapes the taxation altogether. The present Bill seeks to subject him to an equally heavy tax so that the State and the common weal may get on by taking away from these incomes a proportionate share or a particular share in order that the State's revenues may be kept going. While that is the basis, it is absolutely necessary that we should go fearlessly and forthright into the matter. What I find here is an amount of trepidation and, if I may be pardoned for saying so, an amount of timidity, in tackling the larger income groups by the imposition of a fairly steep and adequate rate of taxation. While we launch over to the neighbouring State of Travancore–Cochin, we find that even in that State where there are not many progressive taxation measures yet, super-tax is imposed upon incomes over Rs. 25,000. In a society on socialistic basis I presume that there is no tear shed upon persons getting an income of more than Rs. 25,000 and I believe that there is a *bona fide* intention to see that there is a